

**BEFORE THE FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
High-Cost Universal Support	)	WC Docket No. 05-337
	)	
Coalition for Equity in Switching Support	)	
Petition for Clarification	)	
	)	

**COMMENTS OF  
TEXAS STATEWIDE TELEPHONE COOPERATIVE, INC.**

Texas Statewide Telephone Cooperative, Inc. (TSTCI) offers these comments in response to the Federal Communications Commission’s (“FCC” or “Commission”) Notice of Proposed Rulemaking<sup>1</sup> (NPRM) that proposes rule amendments to sections 36.125(j) and 54.301(a)(2)(ii) of the FCC’s rules. These rules affect the amount of universal service Local Switching Support (LSS) received by incumbent local exchange carriers (ILECs) that are designated eligible telecommunications carriers (ETCs). TSTCI is an association representing 38 small, rural incumbent telephone companies and cooperatives in Texas that have been designated as ETCs (see Attachment 1), and as such, will be directly affected by revisions to these rules.

In response to the Coalition for Equity in Switching Support’s (“Coalition”) Petition for Clarification<sup>2</sup>, the FCC has tentatively concluded that the above-mentioned sections of the Commission’s rules should be amended to allow an ILEC ETC experiencing a decline in the number of access lines to use a higher DEM weighting factor in performing jurisdictional separations and calculating LSS. TSTCI supports the FCC’s tentative conclusion and the

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<sup>1</sup> *In the Matter of High-Cost Universal Service Support Coalition for Equity in Switching Support Petition for Clarification, Order and Notice of Proposed Rulemaking* (NPRM), WC Docket No. 05-337, (Released October 9, 2009)

<sup>2</sup> Coalition for Equity in Switching Support for Clarification, CC Docket Nos. 80-286 and 96-45 (filed Jan. 8, 2009).

amendments as proposed in the NPRM. TSTCI believes that the proposed revisions provide an equitable solution to the problems some rural ILECs have experienced under the current rules.

The Coalition provided compelling examples of a number of small ILECs who experienced a loss in LSS due to a temporary increase in the number of access lines that exceeded certain thresholds as established in the rules.<sup>3</sup> When the number of access lines decreased below the thresholds, there was no remedy to increase the amount of LSS, and these companies are apt to experience hardships due to the loss in LSS. The Coalition states, "...the fact that a rural carrier had a greater number of lines in the past does not affect the carrier's current cost structure or economies of scale: there is no material difference between the cost structure of a carrier that has remained below a threshold number and that of a carrier of the same size that temporarily exceeded that access line threshold and then fell below the threshold again. Without the appropriate amount of support, many of these small rural LECs are finding it increasingly difficult to make necessary network upgrades, to implement the redundancy needed for natural disasters and other emergencies, and to continue providing quality services at affordable rates."<sup>4</sup>

If for no other reason than a matter of equity, the rules should be revised to enable similarly-sized ILEC ETCs to use the same DEM weighting factors to determine LSS. The rule amendments would allow this to happen by taking into account the weighted DEM factor appropriate to current access line counts, regardless of whether the current access line count had experienced increases or decreases.

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<sup>3</sup> Id. at pp. 4-7.

<sup>4</sup> Id. at p. 15.

TSTCI urges the Commission to amend sections 36.125(j) and 54.301(a)(2)(ii) of the  
FCC's rules a proposed.

Respectfully submitted,

A handwritten signature in black ink that reads "Cammie Hughes". The signature is written in a cursive, flowing style.

Cammie Hughes  
Authorized Representative  
Texas Statewide Telephone Cooperative, Inc.  
November 24, 2009

**TEXAS STATEWIDE TELEPHONE COOPERATIVE, INC.**

Alenco Communications, Inc.  
Big Bend Telephone Company, Inc.  
Brazos Telecommunications, Inc.  
Brazos Telephone Cooperative, Inc.  
Cameron Telephone Company  
Cap Rock Telephone Cooperative, Inc.  
Central Texas Telephone Cooperative, Inc.  
Coleman County Telephone Cooperative, Inc.  
Colorado Valley Telephone Cooperative, Inc.  
Community Telephone Company, Inc.  
Cumby Telephone Cooperative, Inc.  
Dell Telephone Cooperative, Inc.  
E.N.M.R. Telephone Cooperative, Inc.  
Eastex Telephone Cooperative, Inc.  
Electra Telephone Company  
Etex Telephone Cooperative, Inc.  
Five Area Telephone Cooperative, Inc.  
Ganado Telephone Company, Inc.  
Hill Country Telephone Cooperative, Inc.  
Industry Telephone Company, Inc.  
La Ward Telephone Exchange, Inc.  
Lake Livingston Telephone Company  
Lipan Telephone Company, Inc.  
Livingston Telephone Company  
Mid-Plains Rural Telephone Cooperative, Inc.  
Nortex Communications, Inc.  
Panhandle Telephone Cooperative, Inc.  
Peoples Telephone Cooperative, Inc.  
Poka Lambro Telephone Cooperative, Inc.  
Riviera Telephone Company, Inc.  
Santa Rosa Telephone Cooperative, Inc.  
South Plains Telephone Cooperative, Inc.  
Tatum Telephone Company  
Taylor Telephone Cooperative, Inc.  
Wes-Tex Telephone Cooperative, Inc.  
West Plains Telecommunications, Inc.  
West Texas Rural Tel. Cooperative, Inc.  
XIT Rural Telephone Cooperative, Inc.